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8 January 1959

# CURRENT INTELLIGENCE WEEKLY SUMMARY



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CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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**T H E   W E E K   I N   B R I E F****PART I****OF IMMEDIATE INTEREST****NASIR AND THE IRAQI SITUATION . . . . . Page 1**

The roundup of Communists in the UAR appears to have struck for the first time at the movement's leadership, and Nasir is planning to purge Communist sympathizers from the UAR propaganda machinery. Anti-Communist elements in Iraq are continuing to try to exert pressure on Prime Minister Qasim. Qasim has announced the formation of a fifth army division, presumably to provide himself with more loyal military support. Soviet leaders apparently hope to avoid an open clash with Cairo, but may be exerting behind-the-scenes pressure on Nasir to limit his anti-Communist moves by bringing to his attention the importance of continued bloc military and economic support. [REDACTED]

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**SITUATION IN LAOS . . . . . Page 2**

Prime Minister Phoui Sananikone plans to demand full governmental powers at a special session of the Laotian National Assembly on 10 January. He is apparently undaunted by North Vietnam's threatening military and propaganda pressures designed to forestall government repression of Laos' Communist organization, the Neo Lao Hak Zat (NLHZ), the legal successor to the Pathet Lao movement. Despite Phoui's assurances that rumors of repressive action against political parties are groundless, the NLHZ remains extremely apprehensive. The former Pathet Lao battalion in central Laos is reported preparing for a return to armed dissidence. [REDACTED]

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**GROWING OPPOSITION TO SIHANOUK REGIME IN CAMBODIA . . . . . Page 3**

Many influential Cambodians are becoming critical of Premier Sihanouk's authoritarian and erratic leadership, particularly his arbitrary decision last November to cut relations with Thailand. [REDACTED]

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[REDACTED] Sihanouk,  
may move closer

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toward the bloc. [REDACTED]

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**PART I (continued)****THE NEW GOVERNMENT IN CUBA . . . . . Page 4**

Manuel Urrutia, Cuba's new President, has announced that his government will rule by decree until national elections are held in 18 months to two years. The 26 of July Movement is now the dominant political group, and its leader, Fidel Castro, who is the most influential figure in the new regime, will probably be named to head the armed forces. The new cabinet appears generally moderate and responsible, but the government faces many hurdles in its efforts to restore political stability.

**BERLIN SITUATION . . . . . Page 5**

There has been no official Soviet reaction to the Western notes replying to the 27 November proposal to make West Berlin a "free city." Some West Germans have shown apprehension over a possible Soviet-American agreement resulting from Mikoyan's visit to the United States.

**THE NEW FRENCH CABINET . . . . . Page 7**

Premier Michel Debré's cabinet is a team hand-picked by De Gaulle, who under the new constitution will be able to guide its operations within the policies and administrative framework he has established. The generally rightist character of the cabinet -- the members of which are mostly holdovers from the government organized last June by De Gaulle -- should facilitate its initial relations with the new rightist-oriented Parliament. Debré must outline his program to Parliament at a short special session before 16 January.

**PART II****NOTES AND COMMENTS****SOVIET PRESSURE ON IRAN . . . . . Page 1**

The USSR is directing a diplomatic war of nerves against Iran aimed at forestalling an Iranian-American defense agreement. Strong warnings designed to generate concern in Tehran over possible Soviet reactions have been coupled with constant emphasis on the advantages of a neutral course in foreign affairs, including great-power guarantees and large-scale Soviet economic aid. Reacting to this pressure and to growing Communist influence in Iraq, Tehran has sought to obtain assurances of American support against both direct and indirect aggression.

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**PART II (continued)****KREMLIN'S RELATIONS WITH NEHRU COOLING . . . . . Page 2**

The USSR is showing signs of growing dissatisfaction with Nehru's recent attacks on Communism and with his government's stand on a number of international issues. While Moscow no doubt considers good relations with New Delhi important, it apparently has decided to bring the "ideological discords" into the open in order to discredit Nehru's views in the eyes of other "neutrals." [REDACTED]

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**SOVIET BUDGET FOR 1959 . . . . . Page 3**

The Soviet budget for 1959 indicates a sharp rise in revenues and expenditures--about 12 percent over last year's planned budget, as compared with an average increase of 4 percent annually since 1953. Explicit defense spending is at virtually the same level as it has been since 1956 despite recent costly Soviet programs involving complex new equipment. Unstated defense appropriations are included in other budget categories; the rise in appropriations for these categories is sufficiently large to permit continuation of a rapid development of priority Soviet military programs. [REDACTED]

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**NEW BULGARIAN ECONOMIC PROGRAM POSES INTERNAL PROBLEMS . . Page 6**

Bulgarian leaders probably anticipate that their "great leap forward," announced on 11 November, will stimulate some intraparty and popular opposition. The new economic plans will require extensive government and party reorganization and impose new demands on officials and the populace. The program is inspired primarily by Soviet example, but it also reflects Chinese Communist influence as well as the natural predilection of Bulgarian party leaders for hard-line policies. [REDACTED]

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**TITO'S TRAVELS AND THE BLOC'S REACTION . . . . . Page 7**

Tito's ten-day visit to Indonesia is a successful beginning to his present effort to strengthen Yugoslav ties with the uncommitted states of Southeast Asia and Africa. At the same time it supplies new fuel for the Yugoslav dispute with the Sino-Soviet bloc. Moscow appears content to let others lead the attack, undoubtedly realizing that any criticism it might make of the Yugoslav President now would embarrass his hosts and not serve Kremlin interests in the uncommitted world. [REDACTED]

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**SOVIET POSITION IN THE GENEVA NUCLEAR TEST TALKS . . . . . Page 8**

With the resumption of negotiations on 5 January after the Christmas recess, the Soviet delegate to the nuclear test talks at Geneva made it clear he would

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refuse to discuss details of a control system until the Western powers accept Soviet demands for a permanent and unconditional cessation of tests and veto rights on the control commission. This attack on basic points in the Western position was foreshadowed in Foreign Minister Gromyko's recent warning that no agreement will be possible unless the West abandons its "invalid conditions."

THAILAND'S VIETNAMESE REFUGEE PROBLEM . . . . . Page 10

Thailand, concerned over the security of its eastern frontiers, is again making an attempt to solve the long-standing problem posed by the presence in four north-eastern Thai provinces of 50,000 Vietnamese refugees, most of whom are pro - North Vietnam. Marshal Sarit would prefer that the refugees simply be repatriated en masse to either North or South Vietnam, but there are numerous obstacles to such a solution. None of the alternative approaches advanced thus far offers much prospect of success, and the problem is likely to continue to plague Bangkok.

THE PHILIPPINE OUTLOOK . . . . . Page 11

The continued inability of the Philippine Government to stem the country's economic deterioration and corruption within its administration is causing growing popular dissatisfaction with President Garcia. Changes in the leadership of the armed forces indicate that the President is proceeding with plans to eliminate alleged military opposition. At the same time, the Garcia administration may capitalize on an increasingly nationalistic attitude toward present economic and defense ties with the United States and stimulate anti-American sentiment in order to deflect criticism from its own failures.

RHEE ADMINISTRATION ACTS TO CURB OPPOSITION . . . . . Page 11

The South Korean Government apparently is moving to suppress political opposition to the recently enacted legislation aimed at restricting opposition Democratic party activity. Such action probably will intensify popular dissatisfaction and further estrange the public from the government. Irresponsible actions by Democratic-oriented radical student elements could precipitate rioting against the government.

KENYA APPEARS HEADED TOWARD POLITICAL DISORDERS . . . . . Page 12

The political situation in the British crown colony of Kenya now appears to have reached a state which threatens to become as dangerous, if not as violent, as the Mau Mau crisis of 1952-56. The chances of success for any

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round-table political discussions are not bright because of the adamant positions of the main racial groups in Kenya, which desire a larger role in the government and faster progress toward independence. Government leaders fear an outbreak of civil disobedience and violence next month. [REDACTED]

**ICELAND'S MINORITY GOVERNMENT . . . . . Page 13**

Iceland's minority Social Democratic government, formed by Prime Minister Emil Jonsson in late December with Conservative parliamentary support, is expected to remain in office only until new elections are called--probably in the spring. It must cope with serious economic problems requiring immediate attention, the most pressing being the mounting inflation and a new price-and-wage basis for the winter fishing season. The Communists, smarting over their exclusion from the government, retain their dominant position in the trade union movement and are in a position to foment labor unrest and attack the government's economic reform program. [REDACTED]

**PART III****PATTERNS AND PERSPECTIVES****SOVIET VIEW OF THE WORLD COMMUNIST MOVEMENT . . . . . Page 1**

A recent article in the authoritative Soviet party journal Kommunist assesses Communist successes and failures throughout the world and suggests tactics aimed at overcoming current obstacles. It notes that the trend in many free-world countries during the past year has become considerably less favorable to international Communism. The article suggests that bloc leaders will continue their economic and cultural offensive in underdeveloped areas, but may be somewhat more selective in choosing recipients of foreign aid. They are pessimistic, however, over the prospect of securing effective assistance from the Western European Communist parties in future bloc foreign policy moves. [REDACTED]

**UAR INFLUENCE IN NON-ARAB UNDERDEVELOPED COUNTRIES . . . . . Page 4**

Although primarily concentrating on expanding its power and influence in the Near East, the United Arab Republic is engaged as well in significant diplomatic, propaganda, and clandestine efforts in various non-Arab underdeveloped countries. In Africa the progress of this program is causing growing concern among all elements opposed to the extension of UAR influence. Efforts in

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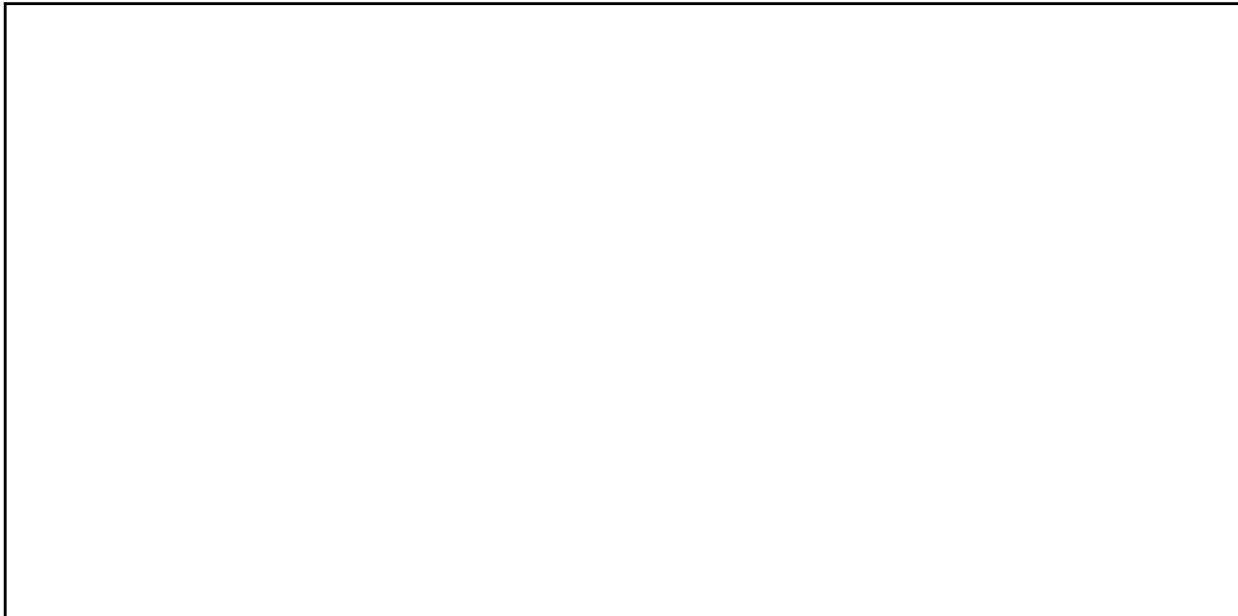
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**PART III (continued)**

Southeast Asia and Latin America have met with some success. The UAR is increasingly recognized as the vanguard of radical nationalism, Arabism, and Islam. The UAR has not hesitated to cooperate with Communists on short-term objectives.

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## PART I

OF IMMEDIATE INTEREST

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## NASIR AND THE IRAQI SITUATION

While Nasir's propaganda machine is engaged in an increasingly bitter war of words with Arab pro-Communist media, UAR security organs have taken their strongest action to date against the local Communists. Large-scale arrests in Egypt and Syria, beginning on 31 December, have included key members of the party, and may have seriously damaged its organization. The first sweep in Egypt netted 211 persons, and arrests in Syria are reported to total about 550. Some leading sympathizers, such as former Syrian Prime Minister Khalid al-Azm, have been placed under house arrest.

Nasir reportedly intends to ignore others, on the ground that they are mere "opportunists." The Syrian party leader Khalid Bakdash, however, escaped

Soviet leaders apparently hope to avoid open differences with Cairo over the activity of Arab Communists, but they may be exerting pressure behind the scenes to limit Nasir's moves by bringing to his attention the importance of continued bloc military and economic support. Bloc propaganda media have reported the arrests of the Communists, but are ignoring the fact that Nasir ordered the crackdown and that he has criticized Communist activity in the Arab world.

Soviet commentators blame Western "imperialist" agents for planting stories in the Arab press about the Communist danger to the Arab unity movement.

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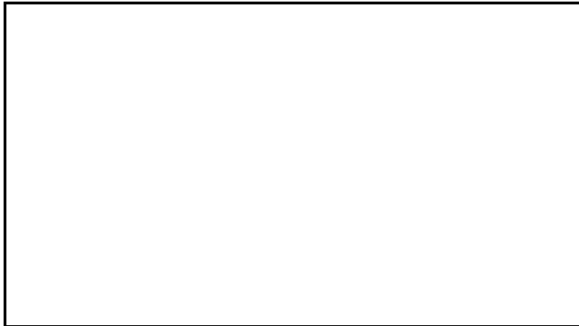
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Nasir's moves continue to encourage anti-Communist elements in Iraq, principally the Baath party there. Further violent street clashes have occurred. There is no sign yet that the actions of either Nasir or the Baath have brought Qasim to view his Communist supporters as dangerous associates.

Qasim's army day speech on 6 January, although heralded as a major pronouncement, suggested that the prime minister wished to lull suspicion of his poli-

cies and be offensive to no one, since his rambling speech merely treated standard themes of Arab nationalism and made a brief bow to "positive neutrality." The formation of the new army division, announced in the course of the speech, is almost certainly an attempt to create an army unit which will be personally loyal to Qasim.

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The new division apparently is to be armed with Soviet bloc weapons.

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Meanwhile, a new group of Soviet experts has arrived in Baghdad and, according to TASS, will discuss Soviet-Iraqi economic and technical cooperation. This delegation seems likely to offer at least limited economic assistance, probably in the form of credit.

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## SITUATION IN LAOS

Laotian Prime Minister Phoui Sananikone plans to call a special session of the National Assembly on 10 January in order to demand full governmental powers. Despite Phoui's optimism that a majority of deputies from his party, the Rally of the Lao People (RLP), will support his efforts to ensure governmental stability, there is opposition within the party, particularly among followers of Interior and Defense Minister Katay. Because of Katay's considerable influence

over political and military circles in southern Laos, and his control over the national police, he remains a possible stumbling block to Phoui's plans.

The North Vietnamese Government has exerted military and propaganda pressures designed to temper the anti-Communist character of Phoui's move for power. There have been small-scale penetrations of the Laotian eastern frontier in Xiengkhouang, Khammouane, and Savannakhet provinces; these incursions

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have been accompanied by propaganda charging Laotian violation of North Vietnam's frontiers and air space.

NLHZ partisans in Sam Neua and Xieng Khouang provinces appear to be moving toward the North Viet-

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While North Vietnam's immediate objective is to support Laos' Communist organization--the Neo Lao Hak Zat (NLHZ)--against wholesale repression, Hanoi may also be building up border tension in order to make a case for the reactivation of the International Control Commission in Laos. Finally, Pham Van Dong's proposal on 5 January for an official conference to settle outstanding problems suggests that North Vietnam would expand the scope of any negotiations in an effort to secure a degree of diplomatic recognition.

Despite Phoui's assurances that rumors of repression against political parties are baseless, the NLHZ, the legal successor to the Pathet Lao movement, remains extremely apprehensive.



manese border, after having circulated rumors that Hanoi would intervene shortly.

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**GROWING OPPOSITION TO SIHANOUK REGIME IN CAMBODIA**

Latent elements of instability in Cambodia have been

stimulated by the Sihanouk government's prolonged feud with

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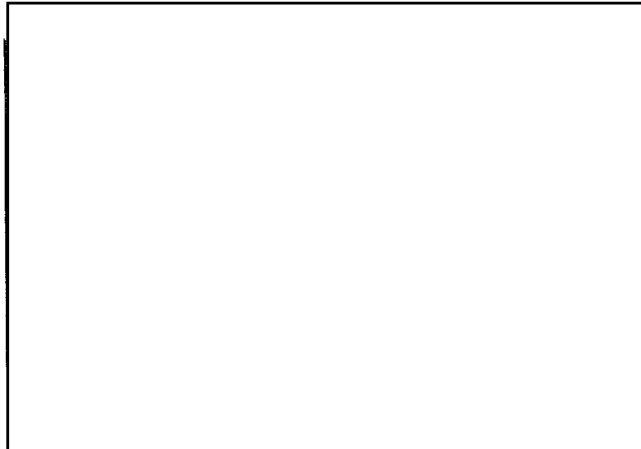
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Thailand. Sihanouk's recent actions have swelled the ranks of influential Cambodians disenchanted with his erratic and authoritarian leadership. Many deputies in the Cambodian National Assembly particularly resent being bypassed in the formulation of far-reaching decisions.

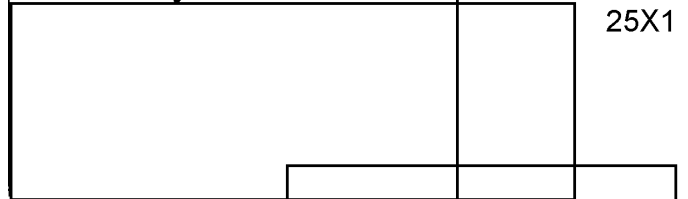
There are indications that Sihanouk now realizes that his arbitrary decisions to suspend relations with Bangkok last November may have repercussions inimical to his rule. He seems anxious to avoid further political pyrotechnics for the moment, but he may feel compelled to act rashly to defend his position.



Sihanouk continues to enjoy wide popular support and remains strongly entrenched in power. He is alert to internal and external intrigues and is undoubtedly prepared to go to demagogic extremes if necessary to thwart them.

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**THE NEW GOVERNMENT IN CUBA**

Provisional President Manuel Urrutia, who established himself in the presidential palace in Havana on 5 January, has announced that his government will rule by decree until national elections are held in 18 months to two years. The 26 of July Movement is now the dominant political group, and its leader, Fidel Castro, who is the most influential figure in the new regime, will probably

be named to head the armed forces. The return of political stability will probably be hampered by divisions which have already appeared between the 26 of July Movement and other rebel groups, by the political immaturity of most and the irresponsibility of some 26 of July leaders, and by the expected machinations of old-line politicians like former President Prío.

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Urrutia's cabinet, however, contains high-caliber and responsible members, as well as some political unknowns. Prominent is Prime Minister Jose Miro Cardona, a lawyer with an international reputation who is very highly regarded in Cuba. Foreign Minister Roberto Agramonte is a leading political and intellectual figure and a former presidential candidate. Both men are regarded as friendly to the United States and, like President Urrutia, firmly anti-Communist.

Thus far there are only a few indications of the new government's policies. Fidel Castro has often asserted his desire for friendship with the United States, but strong bitterness has developed among some rebels who are convinced that US assistance prolonged the Batista regime. Castro's 1955 pledges to nationalize foreign investments and public utilities have not been repeated. His promises to institute land reform have not been detailed since the vague program announced in the heat of battle. The main content of rebel speeches has been a



strong emotional stand for political democracy. Urrutia's references to the peoples of the Dominican Republic, Nicaragua, and Paraguay as being still in need of liberation from dictators suggest that Cuba will become an aggressive champion of democracy in the hemisphere.

The Communists have strongly supported the rebel movement in recent public statements, but their frequent efforts during the two-year revolution to obtain acceptance in a united rebel front were repeatedly rebuffed. Nevertheless, they are believed to have infiltrated some rebel units on a low level and may exploit the anti-US sentiments of some rebel leaders. Since Batista's ouster on 1 January, the Cuban Communist party (PSP) has worked openly to create an impression of legality. It has succeeded in obtaining a minority voice in the organized labor movement and has opened two overt offices in Havana. The Urrutia government, however, has not officially recognized the party.

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**BERLIN SITUATION**

There has been no authoritative Soviet reaction to the Western notes replying to the 27 November proposal to make West Berlin a "free city."

Comment on the notes has been sparse in the Soviet press, and bloc comment generally has been limited to disappointed observations that the notes

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contained no counterproposals. Foreign Minister Gromyko has told a Western ambassador that he regretted that the West did not make specific proposals. Ambassador Smirnov on 3 January complained to Ambassador Thompson about the tone of the American note but added he hoped the Mikoyan trip would help solve the problem.

West German Views

The Bonn and West Berlin press has devoted extensive coverage to Mikoyan's visit to the United States, with most papers reporting that Mikoyan will launch an unofficial "peace plan," aiming at a summit meeting. The progovernment press showed some concern over a possibility that the Soviet success in its space probe might weaken the Western position on Berlin. Although several editorials applauded "secret diplomacy," a prominent West Berlin paper warned that the Mikoyan visit should be viewed as an effort to break Western unity by initiating a "special accord" between the United States and the USSR.

The West German note to Moscow, delivered on 5 January, received more criticism in Bonn circles than did the 31 December Western notes. While the West German opposition parties were favorably impressed with the Western decision to reject the Soviet proposal for a "free city," the Social Democrats criticized Bonn's failure to develop adequately its position on a four-power commission to discuss a peace treaty for Germany. The Free Democratic party, however, was more favorable to Bonn's reply. Some papers commented that Bonn's note did not exclude separate negotiations on a peace treaty, or even on the Rapacki Plan.

Although Bonn's note came under criticism, there has been a noticeable unity among all parties in support of Adenauer's position that the Soviet ultimatum must be withdrawn before broader negotiations can be undertaken.

Efforts Toward Recognition

The Communists have continued their efforts to enhance East Germany's appearance of sovereignty. The Soviet Union took another step toward relinquishing to the Germans its functions under the quadripartite agreements by refusing to negotiate concerning an American held in custody in East Berlin.

The Soviet commandant in East Berlin did not definitely state that authority over Allied personnel who enter East Berlin had been transferred to the East Germans, however, which suggests that the Kremlin has not yet made a final decision. Moscow hopes the Americans will make some concession on this matter, and it is probably withholding further action until it has seen how far the United States is willing to go toward dealing with East Germany in the Mackin case, which involves an American pilot who strayed into East Germany on 8 December and is being held by the East German police. Such cases in the past have been left to the East Germans to handle.

The campaign to gain de facto recognition for East Germany has also been carried forward by Grotewohl's journey through the Near and Far East, including stops in Egypt, Iraq, and India. UAR President Nasir did not receive the East German premier as a "state visitor," but nonetheless extended him courtesies normally accorded visiting government heads.

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Nasir signed a consular agreement with Grotewohl, gave a state banquet in his honor, and decorated him.

Bonn views Grotewohl's trip seriously, and has made representations to the UAR,

Iraq, and India emphasizing its opposition to official dealings with East Germany. On 3 January some Bundestag leaders left for Cairo and Damascus in a further effort to counteract Grotewohl's presence.

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**THE NEW FRENCH CABINET**

Premier Michel Debré's cabinet is a team hand-picked by President de Gaulle, who intends to guide its operations within the policies and administrative framework he has established. The generally rightist composition of the new government--the members of which are mostly holdovers from the government organized last June by De Gaulle--should facilitate its initial relations with the new rightist-oriented Parliament. Debré must outline his program at a short special session before 16 January.

The new government retains De Gaulle's innovation of having nonpolitical "technicians," but has shifted politically to the right as a result of Socialist refusal to join the government. As President, De Gaulle is theoretically removed from day-to-day administration, but ultimate determination of French policy remains with him, particularly in foreign affairs and national defense, where the new constitution gives him wide powers.

Retention of a "technician," career diplomat Maurice Couve de Murville, as minister of foreign affairs, probably reflects De Gaulle's reluctance to have a strong political personality in this position, where he in-

tends to exercise his constitutional prerogatives to the full. The recent reorganization of the defense establishment puts the President at the head of the National Defense Committee and assures De Gaulle's general control, as does his new position as commander in chief of the armed forces. Another technician, Minister of Armed Forces Guillaumat, will probably retain primarily administrative functions.

The denial of the ministry of the interior to Jacques Soustelle, spark plug of the 13 May coup in Algeria, puts this key ministry into the hands of a more trusted lieutenant, Jean Berthouin. Soustelle himself acquires the probably honorific title of minister delegate to the premier's office, being succeeded as minister of information by a "loyal" Gaullist, Roger Frey. Failure of De Gaulle to make Soustelle premier will probably raise protests from his integrationist supporters among European settlers in Algeria, even though the pro-integration Moslem leader, Sid Cara, was named a secretary of state.

The absence of Guy Mollet and his Socialists and of Popular Republican Pierre Pflimlin will please opponents of the

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"old regime," but the Popular Republicans are still strongly represented with Minister of State Robert Lecourt, Minister of Labor Paul Bacon, Minister of Public Works and Transportation Robert Buron, and Minister of State Joseph Fontanet.

The constitution strengthens the premier vis-a-vis parliament, and Debré, an advocate of a strong executive, can be expected to make the most of his power. While the sharing of executive power between president and premier under the new constitution might lead in other circumstances to a clash, this seems quite unlikely at present. Both men appear to hold similar views on outstanding problems, and Debré would be unlikely, at least initially, to push a policy repugnant to De Gaulle. The President, on the other hand, may envisage using the "hyper-nationalist" Debré to establish an extreme position for bargaining purposes.

De Gaulle is expected to see to it that the new government implements Finance and Economic Affairs Minister Pinay's economic austerity program despite growing popular discontent, now spreading to Pinay's own Independent party. This unrest may generate a real problem for the new cabinet before the parliamentary legislative session begins in late April.

Nevertheless, De Gaulle, with a new tightly knit government, a new constitution which shifts power from Parliament to the executive, and a Parliament in which the obstructionism of the Communist party has been reduced to a minimum, has taken a step forward toward an era of stable French government. Whether the "new France" will stand depends largely on De Gaulle's ability to maintain progress along the lines of his proposed economic rehabilitation and to solve the still critical problem of Algeria.

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**PART II****NOTES AND COMMENTS****SOVIET PRESSURE ON IRAN**

The USSR is directing a diplomatic war of nerves against Iran aimed at forestalling an Iranian-American defense agreement. Strong warnings designed to generate concern in Tehran over possible Soviet reaction have been coupled with constant emphasis on the advantages of a neutral course in foreign affairs, including great-power guarantees and large-scale Soviet economic aid.

In October and November two Soviet notes expressed the standard warning that the USSR could not be "indifferent" to this added threat on its southern frontiers, and Khrushchev charged Tehran with "virtual" aggression by placing its territory at the disposal of an "aggressor group."

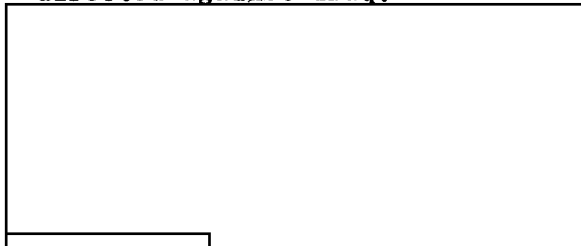
The most recent Soviet note, which was delivered on 29 December, deplored the growing tension between Moscow and Tehran and called for a series of talks on various problems. On 31 December Soviet Ambassador Pegov argued intensely against the conclusion of the pact in a two-and-one-half-hour meeting with Prime Minister Egbal and proposed a conference of five unspecified larger powers to conclude an international guarantee of Iranian neutrality.

Soviet leaders may advance this proposal in formal notes to the Western powers and may

use this occasion to renew earlier proposals for a great-power declaration renouncing the use of force and pledging noninterference in Middle East affairs. Moscow probably believes that rejection of its proposal for a conference would improve its propaganda position as it steps up pressure on Iran.

Recent Soviet propaganda and a diplomatic note to Turkey allege that proposed American bilateral agreements with Baghdad Pact countries are directed against Iraq.

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Soviet officials are also suggesting that if Iran fears it would "lose face" by dropping the proposed "pact" now, it might reach an economic agreement or lesser understanding with the United States.

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Reacting to this pressure and growing Communist influence in Iraq, Tehran has urged immediate conclusion of the defense agreement with the US including firm commitments of support in the event of "direct or indirect" aggression. Tehran would like to see an agreement concluded before the Baghdad Pact Ministerial Council convenes in Karachi on 26 January.

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## KREMLIN'S RELATIONS WITH NEHRU COOLING

The USSR is showing signs of growing dissatisfaction with Nehru's recent attacks on Communism and his government's stand on a number of international issues. While the Kremlin no doubt considers good relations with India important, it apparently has decided to bring the "ideological discords" into the open in order to discredit Nehru's views in the eyes of other "neutrals."

In marked contrast to past Soviet propaganda treatment of Indian policy and Nehru's role as a world figure, an article in the new international Communist journal by Pavel Yudin, a top Soviet theorist and now the ambassador to China, sharply criticizes Nehru for his "distortions" and his "disregard for concrete reality." Yudin gives a long rebuttal to Nehru's "basic approach" to socialism and Communism, extolling Communist China's "marvelous successes" compared with India's relatively slow pace of development.

Although in the past Moscow has scrupulously avoided discussing Indian internal affairs, Yudin alleges that India, under the Congress party, has failed to realize its full economic potential and that the basic agrarian changes needed, if not initiated by New Delhi, "will be effected in a more radical way from below--by the people themselves." Yudin countered Nehru's condemnation of Communist use of force by asserting that the Indian Government's use of "police

despotism and violence against the people" differs very little from that of any other bourgeois country.

On several occasions, Soviet officials privately have expressed irritation with recent Indian developments, for example, New Delhi's preference for Western economic assistance, lack of "sympathy" for Moscow's position on Yugoslavia and Hungary, and unfavorable press treatment of Soviet foreign policy moves.

Nehru on 17 December was directly attacked in a public lecture in Moscow for placing greater reliance on "capitalist-imperialist" support. This line has not yet been taken up by the Soviet press.

In openly attacking Nehru and Congress party policies, the Kremlin risks further deterioration in its relations with New Delhi. Moscow may hope to increase Asian-African neutralist pressure on Nehru for allegedly having changed his attitude. The Indian press has summarized the Yudin article, and Nehru has commented he will not engage in "polemical arguments" with the USSR. However, the Indian press probably will become more critical of Soviet policies in the future. Moscow's attack will also further alienate Nehru, who had become convinced during the past year that the bloc's liberalization program was being reversed.

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## SOVIET BUDGET FOR 1959

The Soviet 1959 budget presented by Finance Minister Zverev indicates a sharp rise in revenues and expenditures--about 12 percent over last year's planned budget, as compared with an average increase of 4 percent annually since 1953. Increased military expenditures in categories other than the explicit defense allocations probably account for part of the rise. Explicit military expenditures remain at the level of the past several years, despite the fact

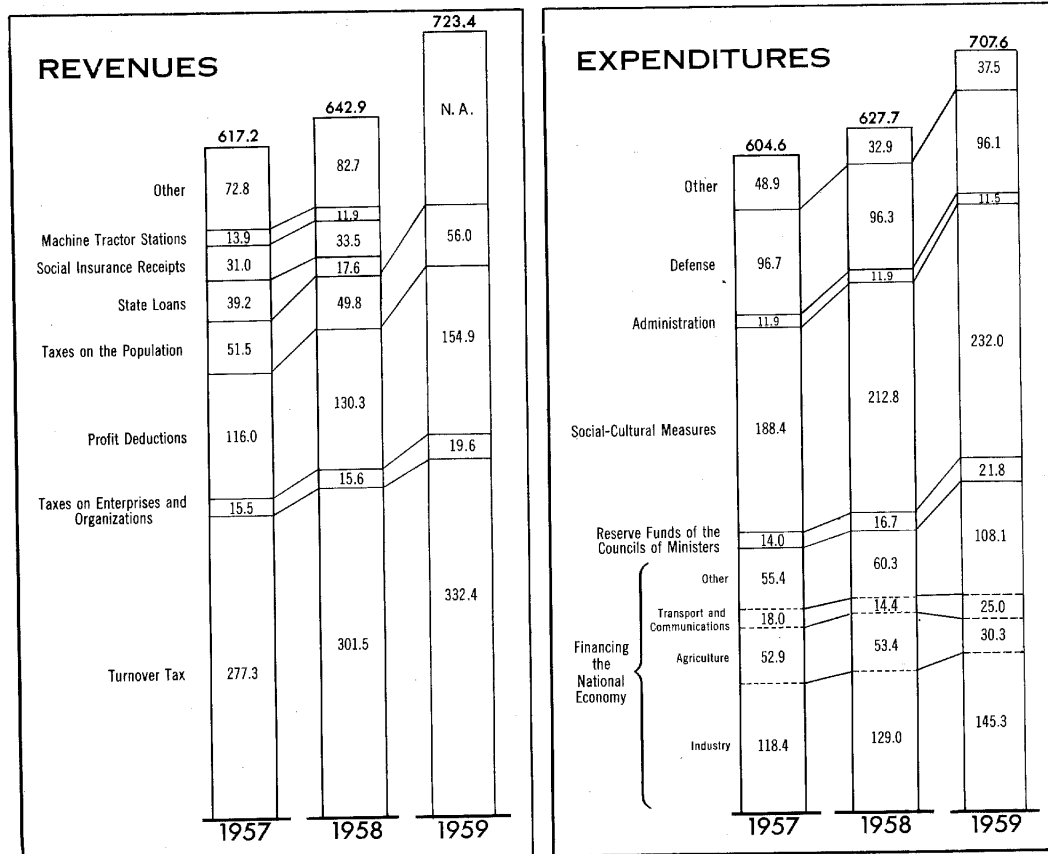
that the USSR is known to have embarked on costly programs involving complex new equipment.

There are noteworthy increases in this year's figures over last year's plan in the unspecified portion of the category "Financing the National Economy," which increased from 60.4 billion rubles to 108.1 billion rubles, and in the Reserve Funds of the Councils of Ministers, which increased from 16.7 billion to 21.8 billion

## USSR

## Planned Budget Revenues and Expenditures for 1957-1959

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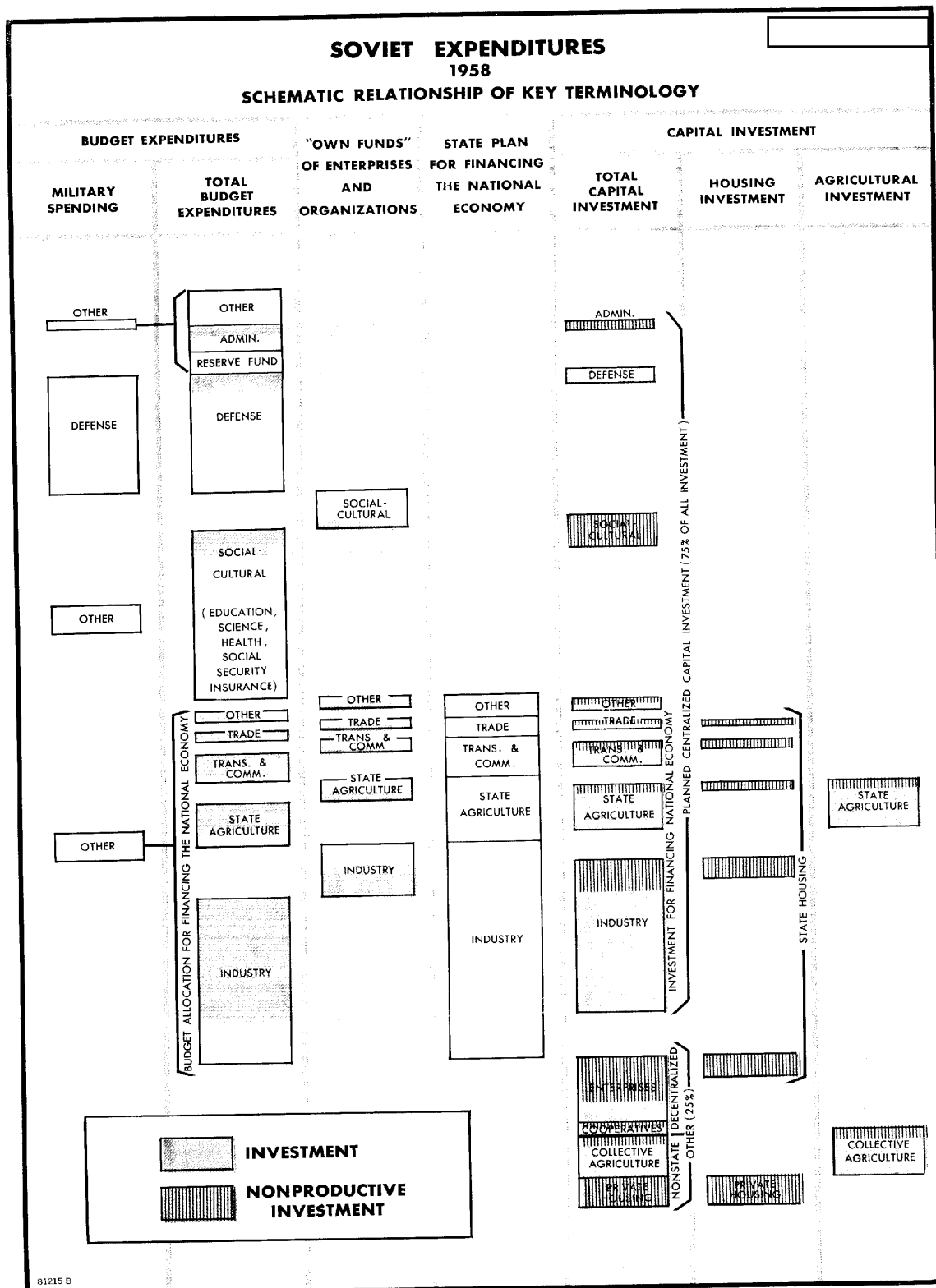
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rubles. Appropriations for scientific research institutes --which in part are devoted to defense-oriented research--are to be increased to 27.3 billion rubles as against a "comparable" figure for 1958 of 23.9 billion rubles.

The 1959 budget increases appropriations for scientific research institutes 70 percent over the expenditures allotted in 1957 (16.4 billion rubles). The original 1958 appropriations were 18.2 billion rubles. The 1959 increase may indicate that the type of research activity conducted in 1957 has been correspondingly increased, or possibly the 1959 budget's definition of "scientific research institutions" has been broadened.

Besides covering military needs, a considerable part of the increased appropriations and revenues may result from new accounting procedures. Since the 1958 budget was drawn up, a series of organizational changes have taken place both in industry and in agriculture, resulting in numerous modifications of accounting and financing practices. In general these modifications are not yet known, but they could provide explanations for a considerable part of the increases.

The reorganization may have caused budgetary increases by introducing larger income and expenditure entries in place of figures formerly consolidated in ministries now abolished. Accounting changes, however, involve decreases as well. For example, a drop from 53 to 30 billion rubles in state agriculture outlays results primarily from transfer of tractors from the machine tractor stations to collective farms, the operations of which do not affect the state budget.

Plans for economic development in 1959 show no sharp break with the past and appear consistent with the goals of the Seven-Year Plan as presented by Khrushchev in his theses last November. There is an increasing emphasis on central control of investment via the budget, expressed in two ways. First, centrally planned capital investment is to increase in 1959 by an unusually high 11 percent, while expansion of extraplan investment, which jumped from 8 billion rubles in 1954 to more than 30 billion in 1958, is to be discouraged. Finance Minister Zverev stressed that extraplan investment--made largely at the initiative of enterprises--diverted material resources from investment projects of greater importance.

Second, the recent trend toward reducing the proportion of centrally planned investment financed from budgetary sources is brought to a halt.

The 1959 budget marks the end of two trends in evidence in the 1957 and 1958 budgets: the greater concessions to the consumer and the increasing flow of funds through republic and local budgets rather than through the central all-Union budget. The past two years have been marked by a series of measures benefiting the population, such as increased pensions, the abolition of compulsory mass loans, a reduction in the bachelor tax, and an increase in the minimum level of income on which the income tax is levied. Apparently no further changes are contemplated at present. Funds passing through union republic budgets, after rising from about 25 percent of total budget funds in 1956 to slightly over 50 percent last year, now are set at just under 50 percent.

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**Comparison With US Budget**

The official rate of exchange--four rubles to the dollar--is inappropriate for converting Soviet budget entries to dollar terms, for the ruble-dollar ratios that would allow comparisons between American and Soviet expenditures on similar activities vary widely. Thus conversion of the ruble figures into dollars requires extensive interpretation.

In addition to the great diversity between the economies of the two countries, budget coverage is very different. The Soviet state budget con-

solidates the expenditures and revenues of the central government as well as those of the union republics and local jurisdictions--thus it would be somewhat akin to a consolidation of the federal, state, and local budgets in the United States. The Soviet state budget includes the major share of the outlays for investment, the planning and administration of economic activity, and education--activities financed in the United States largely through private enterprise and, in the case of education, by private institutional and state and local governmental sources.

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**NEW BULGARIAN ECONOMIC PROGRAM POSES INTERNAL PROBLEMS**

The Sofia regime probably anticipates that Bulgaria's "great leap forward" announced on 11 November, which will apparently be accompanied by extensive organizational changes in the countryside and possibly in industry as well, may give rise to some intraparty and popular opposition. The elimination of many village councils which have become superfluous with the establishment of amalgamated collectives will enable the regime to exert stricter control and remove less "qualified" administrators. This and other features of the program, such as mobilization of party and government officials for "voluntary" labor, and the use of farm labor on local rural development projects could stimulate opposition. According to recent unconfirmed reports, there also has been resistance to increased production norms in factories.

Party First Secretary Todor Zhivkov has referred frequently to "leading cadres

at the center and in other places" who apparently doubt the feasibility and necessity of the program. While these ominous references may have been intended to forestall anticipated opposition, it is possible he was laying the groundwork for a move to consolidate his personal domination in the party by ousting certain rivals in the top leadership--particularly ex-party boss Vulko Chervenkov--as well as their party supporters. According to a recent report, there will be a reduction in early 1959 of the number of ministries, provinces, and Sofia city districts; this would serve to eliminate officials on these levels who have always supported Chervenkov.

Zhivkov in a speech in November made clear that the Bulgarian program as a whole was directly influenced by the theses for the Soviet Seven-Year Plan. Moreover, the merger of the Bulgarian collective farms, an important feature of the program, is basically a copy of the amalgamation conducted in

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the Soviet Union between 1949 and 1951. There are indications, too, that Bulgaria's machine-tractor stations are scheduled to be reorganized in accordance with the recent Soviet pattern.

Chinese influences, however superficial, are unmistakable. The hard-line spirit of the first phase of the Chinese commune program--the use of executive decree, disregard for humanistic factors, and disregard for the feasibility of the goals--has appealed to the inveterately hard-line Bulgarian leaders. This is reflected in the astronomical agricultural goals, the mass mobilization program, and in the use of terminology such as "great leap forward."

In calling last October for fulfillment of the Five-Year Plan in three to four years and launching the "great leap forward" in November, the Bulgarian leaders may have regarded the projected Soviet Seven-Year Plan and the advent of the Chinese experiment as a green light for a forced-draft program of their own. They have viewed the tightening of discipline throughout the bloc over the past year--particularly the fight against "revisionist" ideas and the resumption of the anti-Tito campaign--as a vindication of their consistent hard line. The new Bulgarian program is probably seen by the regime as reinforcing its claim that Bulgaria is ideologically and politically the most advanced European satellite. [REDACTED]

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## TITO'S TRAVELS AND THE BLOC'S REACTION

Tito's ten-day visit to Indonesia is a successful beginning to his present efforts to strengthen Yugoslav ties with the uncommitted states of Southeast Asia and Africa. The itinerary for the remainder of his tour calls for stops in Burma, India, Ceylon, Ethiopia, the Sudan, and Egypt--countries Tito previously visited in the winters of 1954-55 and 1955-56.

A major objective of the bloc's anti-Yugoslav campaign has been to discredit Yugoslavia among the uncommitted nations. The main motive of Tito's tour is probably to prove both at home and abroad that bloc efforts to smear the Yugoslav "road to socialism" are not succeeding and that Belgrade still has friends abroad.

The joint Indonesian-Yugoslav communiqué issued on 30

December endorses many of Tito's policies which have come under attack during the current dispute, thus giving the appearance that Indonesia is in firm accord with Yugoslavia's general position. According to the communiqué, the policies of "active coexistence" and "nonalignment with blocs" are extended "the greatest support," and anxiety is expressed regarding the continuation of the cold war, the arms race, and attempts at outside interference in the affairs of other states.

Tito declared at Bandung that no person or forum had the right to say who is "a socialist." He described at some length the Yugoslav workers' councils--currently out of favor with the USSR--and, in an indirect slap at the USSR, praised the decentralization in his country, declaring that

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centralized government paralyzes the "initiative of the masses."

Although the USSR has to date remained quiet regarding Tito's trip, the propaganda line elsewhere in the bloc is to term it "a mission for the imperialists." Bloc concern over Tito's favorable reception in Indonesia is reflected in the vindictiveness of the propaganda attacks on the Yugoslav leader. The Albanians, Bulgarians, and now the Chinese Communists portray Tito as an agent of the West. On 30 December the Albanian press declared that Tito's "diabolical role" is to attempt to separate the countries of Asia and Africa from the USSR and "bring them closer to the United States." On 2 January Peiping's Red Flag attacked the "Tito clique" as "a camouflaged tool serving the policies of imperialist aggression."

Consistent with its past behavior in the dispute, Moscow appears content to let others lead the attack, while acting as if it is not promoting the dispute. Any Soviet attack on the Yugoslav President now would irritate his hosts and thereby not serve Soviet interests in the uncommitted world. A Soviet "peace" delegation has recently visited Yugoslavia, and cordial New Year's messages were exchanged between Belgrade and Moscow. While these Soviet gestures make it harder for Tito to portray Moscow as hostile to "peaceful coexistence," the fact that Izvestia reprinted the Red Flag attack indicates that Moscow has in no way altered its condemnation of Yugoslav "revisionism."

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## SOVIET POSITION IN THE GENEVA NUCLEAR TEST TALKS

With the resumption of negotiations on 5 January after the Christmas recess, the Soviet delegate to the nuclear test talks in Geneva attacked a number of basic points in the Western position. He took issue on 6 January with Western insistence on majority rule in the proposed control commission, the position linking extension of a one-year test suspension with progress in other areas of disarmament, the proposal for giving any party the right to denounce the agreement when violated by another, and the concept of international staffing of the control posts to minimize use of nationals of the host state.

The Soviet delegation charged that further discussion of the control system would be premature and fruitless without prior agreement on these basic issues. The chief delegate urged settlement of these questions blocking progress of the conference. On 7 January the Soviet delegate charged that rigidity of the American position in not considering Soviet views, which could not be changed, forecast a gloomy outlook for the conference. He insisted that there could be no further discussion of any other issues until the question of duration of the treaty is resolved.

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These Soviet tactics follow the pessimistic statement made on 25 December before the Supreme Soviet by Foreign Minister Gromyko. Gromyko expressed strong doubts as to the possibility of agreement as long as the United States and Great Britain continue to raise such "invalid conditions" as their positions on duration of the agreement, on the link to other disarmament measures, and on voting in the control organ.

Gromyko also alleged that Western "demands and conditions" regarding inspection procedures "contradict" the conclusions of the Geneva experts' conference, which he claimed provided that a decision for dispatching an inspection team would be voted on each time a case of possible violation arose. He charged further that the Western position that nuclear explosions for peaceful purposes should be permitted after weapons tests are terminated is intended as a barrier to solution of the main task. He declared, however, that the USSR would agree to a limited number of explosions for peaceful purposes in order to defeat this alleged Anglo-American attempt to block agreement by insisting on such explosions.

The Soviet leaders remain unwilling to accept any system in which a Soviet veto or other Communist bloc vote could not block important decisions of the control organization, particularly with regard to dispatching an inspection team to the scene of any suspected violation. As long as the negotiations were moving ahead with drafting of the more noncontroversial articles of the treaty, Moscow preferred ignoring West-

ern "conditions." However, Western rejection before Christmas of the Soviet proposal to shelve the entire control issue by having a committee study it while the conference continued drafting other articles prompted Moscow to reintroduce its objections to the Western stand on duration and the link to other disarmament measures.

The Soviet leaders were probably concerned that a stalemate based on the sole issue of Soviet insistence on veto rights in the control commission would place Moscow in an unfavorable light in case of any breakdown in negotiations. They preferred, therefore, to stress these other areas of disagreement, making voting arrangements only part of the Soviet objection to the Western position.

Remarks made privately by the Soviet delegate prior to the Christmas recess and after mutual agreement on a draft article establishing a seven-nation commission suggest that Moscow may make the appearance of movement on the voting question to improve its weak position on this issue. Soviet delegate Tsarapkin suggested that the commission be composed of three Western states, three Eastern, and one neutral. Combined, for example, with a proposal for the necessity of a two-thirds vote in the commission, this suggestion of composition, while appearing to be more reasonable than insistence on veto powers, would preserve Soviet power to frustrate future actions of the control organ. The present Soviet stand in the conference sessions, however, continues to insist on unanimity of the "three founding parties" on all important decisions of the commission.

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Introduction by the United States of new technical information which would require some changes in the conclusions drawn at the Technical Conference last summer with regard to underground explosions was attacked by Moscow as an effort to nullify an agreement already reached. The Soviet delegate charged that any modification of technical conclusions would be the task of the commissions

when established and was not the proper subject matter for political talks. Soviet propaganda charged that a White House statement issued shortly after the information was introduced in the conference was an obvious effort to complicate the discussions at Geneva in an attempt to block agreement.

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**THAILAND'S VIETNAMESE REFUGEE PROBLEM**

Thailand, whose concern about the security of its eastern frontiers has again been stimulated by its dispute with Cambodia and by unsettled conditions in Laos, has in recent weeks made a new attempt to solve the serious problem posed by the presence of some 50,000 Vietnamese refugees--most of whom are pro-North Vietnam--in four strategically important northeastern provinces (see map, page 3, Part I). Marshal Sarit [redacted] has indicated a definite preference for the mass repatriation of these refugees, either to North or South Vietnam, but there are numerous obstacles to such a clear-cut resolution of this long-standing problem.

If forced to leave Thailand, the majority of the refugees would prefer to go to North, rather than South, Vietnam. Unofficial Thai efforts to arrange repatriation procedures with Hanoi appear again to have bogged down. Bangkok in particular has found unacceptable Hanoi's suggestion that it send a delegation to Thailand for the purpose of making an on-the-spot-survey of refugee attitudes and preferences. The Thais apparently fear that acceptance of such a mission would be tantamount to de facto recognition. There are strong grounds for suspect-

ing, moreover, that North Vietnam considers the refugees to be of more value in terms of propaganda and subversive potentialities if they remain where they are.

South Vietnam, while not wanting to take the refugees itself, fears the adverse propaganda effects of their repatriation to the North. It is working through its ambassador in Bangkok to induce the Thais to explore alternative solutions to the problem. The South Vietnamese recommend combining repressive measures against Communist leaders in the refugee communities with a campaign to reorient the balance of the refugees. Another suggested solution is to disperse the refugees throughout the interior provinces. Such a program would be expensive and would severely strain limited Thai administrative capacities. It would also be strongly resisted by the refugees themselves.

Present Thai efforts to solve the refugee problem will probably be inconclusive, as have similar efforts in the past. In the meantime, a potential Vietnamese Communist fifth column will probably remain essentially intact, and Hanoi will be able to pose as the refugees' protector, exploiting the issue to press for Thai recognition. [redacted]

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**THE PHILIPPINE OUTLOOK**

The Philippine Government under Carlos Garcia continues to make little headway in solving the country's serious economic problems. Serious inflationary pressures persist, despite some prospects for increased agricultural production this year. The budget commissioner, whose efforts to reduce government expenditures and increase revenues have met strong political opposition, is reported to have told a congressional hearing that the country is on the verge of bankruptcy. Foreign exchange reserves dropped to a new low in early December and are still heavily committed. In the face of strong pressure to devalue the peso, President Garcia recently expressed fear that the "psychological effect" of the devaluation would produce disruptive strikes and near anarchy in the Philippines.

There are signs that the failure to stem both the country's economic deterioration and corruption within the administration is causing serious widespread dissatisfaction with President Garcia. The reception staged for Garcia on his return from his good-will trip to Japan in December was later overshadowed by a lavish welcome for Senate President Rodriguez, who heads the governing Nacionalista party, after

his long trip abroad. The return of Rodriguez set off a series of demands from national and provincial party figures for a government cleanup.

Following recent rumors of coup plotting, top military leaders, including Armed Forces Chief Arellano, have been replaced by officers deemed more amenable to President Garcia. Garcia also has been reported determined to use a broad cabinet reshuffle in the near future as a means of removing Defense Secretary Vargas, who has been accused of instigating coup plotting. Outgoing defense leaders maintain that Nacionalista plans to ensure control of the army are behind the rumors and the present military transfers.

Philippine officials are displaying an increasingly nationalistic attitude toward economic and defense relations with the United States. Foreign Secretary Serrano declared on 31 December that a "redefinition" of the Philippine-American "mutual defense concept" would be a prime goal for 1959. An apparently officially inspired press campaign supporting the Philippine stand in the present exploratory talks on American bases raises the possibility that anti-American sentiment may be fostered to divert attention from Garcia's domestic failures. 25X1

**RHEE ADMINISTRATION ACTS TO CURB OPPOSITION**

The South Korean Government apparently is moving to suppress opposition to the recently revised National Security Law. This legislation, which was forcibly enacted on 24 December, appears designed to silence growing opposition to the governing Liberal party and to assure the re-election of President Rhee in 1960. Although ostensibly intended to combat Communist subversion,

the law gives the administration an effective weapon to repress the popular Democratic party by abridging already limited civil liberties and press freedom. Such action probably will intensify popular dissatisfaction and further estrange the public from the government.

Several protest demonstrations have been broken up by police, and outdoor meetings

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in Seoul have been banned. Official permission was denied the Democrats to stage a "march through Seoul" on 7 January in protest of the new security law. An indoor convention scheduled for 11 or 12 January will probably also be banned.

A revised Local Autonomy Law, passed under similar circumstances to the security law, provides for government appointment rather than election of local executives in towns and cities, and probably is intended to neutralize the Democrats' large urban following.

The Democrats apparently have failed to evolve a unified and effective counterstrategy. Recourse to extralegal demon-

strations might prove an open invitation to the administration to restrict the party further. On the other hand, should the Democrats be passive, it would probably cost them a considerable measure of popular support. There is also the danger that radical student elements oriented toward the Democratic party might precipitate rioting against the government.

The government's recent actions are reminiscent of Rhee's strong-man tactics to retain power in 1952. As then, the President may purge some supporters who have championed strong repressive measures; this would allow him to pose again as the champion of Korean democracy.

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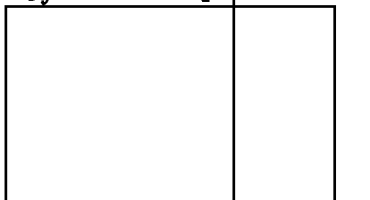
## KENYA APPEARS HEADED TOWARD POLITICAL DISORDERS

The political situation in the British crown colony of Kenya now appears to have reached a state which threatens to become as dangerous, if not as violent, as the Mau Mau crisis of 1952-56. British officials view seriously the threat that the Africans will launch a civil disobedience campaign which could lead to violence.

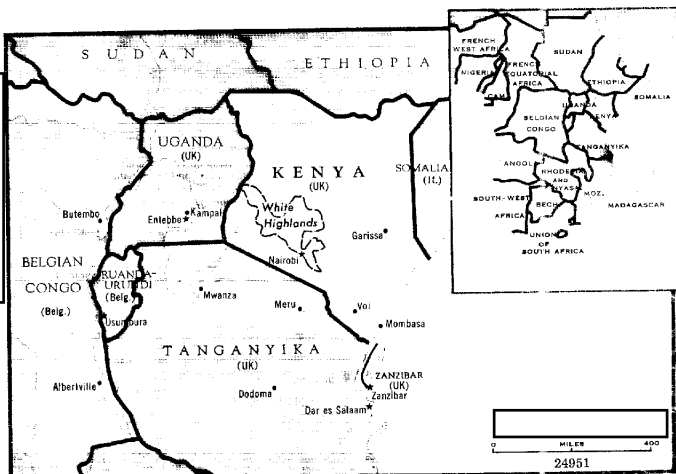
A leading Kenyan Government official believes February will be the crucial month. He admits the government is uncertain as to what short-term policy to adopt

ropean settlers, who number only about 1 percent of Kenya's 6,000,000 population. Tensions mounted throughout the past year as African nationalists pressed their demands for greater participation in government and an acknowledgment of Kenya's future status as an African country.

The nationalists are led by Tom Mboya, Kenya's labor leader, whose stature was enhanced by his prominent role



Kenya's political difficulties and racial bitterness result basically from the disproportionate share of influence wielded by the Eu-



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at the recent All-African Peoples' Conference at Accra. Earlier, he had helped organize the Pan-African Freedom Movement for East and Central Africa, which may play a significant role in the African nationalist struggle in East Africa.

Mboya and his associates, although essentially moderates, have whipped up nationalist fervor among the politically conscious Africans. They have not, however, been able to produce any tangible constitutional gains, and they now talk more of extremism and dramatic gestures. During the past year a terrorist organization similar to Mau Mau has been of growing concern to the government, and, although African politicians have disavowed any connection, it is probable that there will

be increasing ties between overt political leaders and covert terrorist organizers.

British and Kenyan officials, although recently taking a firmer line with African nationalists, desire to reach some sort of constitutional settlement. They are handicapped, however, by the Africans' refusal to compromise. Mboya has turned down preliminary informal talks to establish an agenda for a round-table discussion concerning a constitution. Without such preparations, round-table talks would probably founder because of growing settler intransigence, unrealistic African demands, and indecision in the Asian community.

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**ICELAND'S MINORITY GOVERNMENT**

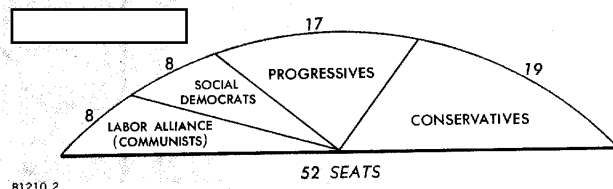
The Social Democratic minority cabinet formed by Prime Minister Emil Jonsson in late December is expected to remain in office only until new elections are called--probably in the spring. In view of the government's dependence on

The government can count on the support of 27 of the 52 deputies in the joint parliament, but it lacks a majority in the upper house--thus necessitating that it rely on either Progressive or Communist support on certain crucial issues.

The Conservatives are reliably reported to have promised Jonsson their support on economic reform measures and to have reached an understanding on revision of the electoral law. The law now favors the largely rural Progressive party at the expense of the growing and

under-represented towns.

The most serious problems facing the government are economic. It has outlined a broad economic reform program to halt

**ICELANDIC PARLIAMENT**

Conservative parliamentary support, however, its tenure could be shortened if disagreement with the Conservatives should arise over economic and electoral-reform legislation.

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the mounting inflation which has doubled prices and wages since the early 1950s and resulted in a further 9.2-percent wage increase on 1 December. The government has already opened negotiations with fishing industry groups on a new price-and-wage basis for the winter fishing season in order to avoid the possibility of a tie-up of the entire fleet in this important industry.

The Communists, smarting over their exclusion from the government, retain their dominant position in the trade union movement. Thus they are in a position to foment labor unrest and discredit the government's economic reform program, which

proposes a 5-to 6-percent reduction in wages and a corresponding cut in agricultural prices. Communist exclusion from the cabinet seems likely to improve the prospects for an ultimate solution to the fishing dispute with Britain and to reduce the possibility of incidents involving patrol vessels. In view of the impending elections, however, none of the parties can afford to appear to back down on the principle of a 12-mile fishing limit. The democratic parties probably hope that a modus vivendi can be reached which would eliminate the danger of further clashes, pending final settlement. [REDACTED]

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## PART III

PATTERNS AND PERSPECTIVES

## SOVIET VIEW OF THE WORLD COMMUNIST MOVEMENT

Recent Soviet assessments of the current state of the world Communist movement display considerable concern that the trend over the past year in many areas of the free world has become increasingly less favorable to the movement and to the attainment of Moscow's foreign policy objectives. The strong defensive tone of a recent article in the Soviet party journal Kommunist by Boris Ponomarev, head of the Soviet central committee's department for liaison with non-bloc Communist parties, reveals serious apprehension lest recent setbacks evoke defeatist attitudes within Communist ranks and lead to apathy, revisionist tendencies, and loss of membership. Ponomarev expresses a high degree of satisfaction, however, with the political, economic, and military situation of the Sino-Soviet bloc as a whole.

These views have been echoed in Pravda by Soviet presidium member Otto Kuusinen, as well as in several press editorials and public lectures in the USSR, but Ponomarev's article gives the most detailed and candid appraisal.

In what is ostensibly a status report, Ponomarev sets himself the task of combating any notion that the Communist revolutionary tide outside the bloc is at ebb stage. He seeks to boost morale and to counter "Titoist" tendencies and the sapping of revolutionary vigor by asserting that the bloc is strong and united as never before, that the capitalist world is undergoing increasingly intense political and economic crises, and that the Communist movement is universal in nature -- "temporary" defeats in one area should be viewed against

the background of successes elsewhere.

Ponomarev stresses that ideological purity, tight discipline, and "unity, more unity, and still more unity of the working class" are essentials which will inevitably lead Communist parties everywhere to victory. To this end he "suggests" some reorientation of tactics by Western Communist parties and the parties in a number of neutralist states. Basically, however, his article is a strong reaffirmation of the principles expressed in the "Twelve-party Declaration" of bloc leaders in Moscow in November 1957.

Condition of the Bloc

Ponomarev appears genuinely pleased with the situation inside the bloc. In a possible foretaste of claims Khrushchev may make at the forthcoming Soviet party congress, Ponomarev lauds the rapid growth of industry, specialization through division of labor, and the increasing socialization of agriculture in most bloc countries. He barely mentions Communist China's new communes, however, saying only that "the formation of peoples' communes is presently being completed throughout all of China." He places Bulgaria, which is working toward "completing the construction of a socialist society," and Czechoslovakia, which has "established the bases of socialist society," as the most advanced of the satellite countries in the "transition to socialism."

Bloc unity is proclaimed to be at a new high, apparently reflecting the present close cooperation between the USSR and the bloc countries in the

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political, economic, cultural, and military fields, as well as a feeling that the main effects of the de-Stalinization campaign inside the bloc have passed.

**Situation in Capitalist World**

Ponomarev declares that, in contrast to the expanding economies of the bloc countries, the United States and Western Europe are undergoing an economic decline because of economic stagnation, unemployment, and especially strikes, which, he says, have risen over the past year. The resultant increasingly sharp crises have brought about an intensification of the class struggle, with a consequent "drift to the right" in most of the advanced capitalist countries. Western Europe, according to Ponomarev, is in the grip of reaction, with NATO "war policies" dominant in Britain, France, and West Germany. This "campaign of reaction" has also been accompanied by a movement to the right by many Socialist leaders--"traitors to the working class"--specifically Mollet, Spaak, and Saragat.

Ponomarev claims that the policy begun at the Soviet 20th party congress in February 1956 of seeking to cooperate with the Socialist and other non-Communist left-wing movements has achieved a certain measure of success in Italy, Chile, and Japan. In other countries, however, the policy is tacitly admitted to have failed and has largely been abandoned. Ponomarev strongly favors the traditional Communist tactic of "unity of action from below," which involves concentrating on subverting rank-and-file Socialist members. Thus it is less likely that the Soviet Union will soon renew widespread attempts to cultivate such parties and leaders directly--a policy it followed in early

1956 when the Soviet party proposed direct contacts with the Socialist parties of Western Europe.

**National Liberation Movement**

Ponomarev characterizes the national liberation movement as a "growing torrent" which is increasing the clash of interests between the capitalist powers and the newly free, colonial, and dependent countries. He singles out the coup in Iraq and the achievement of independence by Ghana and Guinea as victories for the movement, but he sees its most significant growth over the past year in Latin America--in Argentina, Brazil, Chile, Uruguay, Colombia, and especially in Venezuela--where efforts to attain political "independence" and overcome "encroachments by American monopolies" are increasingly evident.

The article admits, however, that the national liberation struggle is not advancing in all countries along the lines desired by bloc leaders. "US-backed" plots have installed regimes in Burma, Pakistan, and Thailand which are hindering the process of national liberation and forcing local Communists to go underground. Outright dissatisfaction on the part of Soviet leaders is indicated by the omission of sketchy reference to India, Indonesia, and the UAR--countries whose relations with the bloc have recently shown signs of friction or whose ties with the United States have improved over the past year.

Ponomarev describes the attainment of political and economic independence now being completed in many Afro-Asian countries as only a first step toward national liberation. In a thinly disguised directive to Communist and pro-Communist elements, he urges the

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underdeveloped nations to strive for "ideological liberation"--a process in which "progressive" elements opposing conciliation with the capitalist West and favoring growing collaboration with the bloc would assume positions of influence. The Afro-Asian Solidarity Conference at Cairo in December 1957 and the Writers' Conference at Tashkent in February 1958 are held up as important contributions to the process of "ideological liberation." A further intensification of Communist-front activities--both within individual countries and through international front organizations--thus appears in the offing.

This treatment of the national liberation theme indicates that, while Soviet leaders feel they have succeeded in their initial objective of weakening Western political and economic influence by supporting neutral-nationalist leaders and movements in many Afro-Asian countries, they now find these leaders reluctant to move beyond this type of cooperation to increasing identification with and support of the bloc against the West. In calling for "progressive" elements to attain increasing political influence, Ponomarev is in effect directing local Communists to initiate greater pressure on the neutral-nationalist leaders to force them into such collaboration.

Nonbloc Communist Parties

The primary task of the Communist parties outside the bloc, according to Ponomarev, is to consolidate their internal position, strengthen their ideological controls, and reaffirm their allegiance to the source of Marxist orthodoxy--the Soviet Communist party. He praises the Communist parties of Italy, Finland, Japan, India, and Indonesia, and the "leftist forces" in Greece

for gains made during the past year. He notes the steadily growing influence of the parties in seven Latin American countries--Argentina, Brazil, Chile, Uruguay, Cuba, Venezuela, and Colombia--but urges greater coordination among all Latin American Communist parties.

Ponomarev points out a number of failures, including the factional disputes resulting from "revisionism" in the parties of Denmark, Netherlands, and the United States, and "several shortcomings" in the French Communist party. After taking up the difficulties imposed on French Communists by political developments since De Gaulle's accession to power, Ponomarev argues that it is not necessary for a party to be organized on a mass basis in order to play an influential role in the political life of a country. He mentions the Venezuelan Communist party as an example of an apparently insignificant organization which, in a time of crisis, attained an influential role by acting on the "leading core" principle. This is said more as a morale booster than a principle for action, however, for Ponomarev sets as the first priority task of Western Communist parties the establishment of working-class unity--the "merger" of all forces of "democracy and progress."

He calls for Western Communist parties to abandon "even the shadow of sectarian narrow-mindedness" and to be flexible in the methods used in the struggle for a broad mobilization of the working people. At the same time, however, he cautions against any compromise of principle, warning Communists everywhere that "revisionism" is still the "chief" danger and berating the Yugoslavs for having "rolled into one all revisionist concepts."

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Future Soviet Tactics

Ponomarev's article suggests that Moscow is likely to continue its strong diplomatic and propaganda support of Asian-African countries on issues against Western interests and to increase economic assistance, arms aid, and exchanges of cultural delegations. As suggested by the expressions of dissatisfaction with certain neutral-nationalist leaders, however, the USSR may now show greater discrimination by giving relatively more to those leaders and countries which "cooperate" most with the bloc and withholding further support from those who, like Nehru, have balked at being pulled closer into the Communist web.

The Western European parties may be expected to intensify their campaign to tighten

ideological control within party ranks and to relax efforts at cooperation with the non-Communist left (the Nenni Socialists of Italy being an exception); instead, they will concentrate on attracting individual adherents. The nonbloc parties apparently will not return generally to violent tactics, as they did in 1947-48, although the extensive references to strikes weakening the West suggests that an effort will be made to increase this form of "direct action."

The unusual acknowledgment of the difficulties faced by Western European Communist parties suggests that the Soviet leaders are rather pessimistic over the present prospect of securing effective assistance from them in future bloc foreign policy and propaganda moves.

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**UAR INFLUENCE IN NON-ARAB UNDERDEVELOPED COUNTRIES**

The scope of the United Arab Republic's diplomatic, propaganda, and clandestine efforts in non-Arab, underdeveloped countries of the free world seems on the surface to be grandiose and unrealistic, particularly in view of Cairo's extensive use of resources in its Near Eastern activities. Nevertheless, the UAR appears to be making progress in promoting itself in Africa, Southeast Asia, and Latin America as the vanguard of radical nationalism, Arabism, and Islam.

General guidelines for the program which the UAR is following were set forth in the May 1958 issue of African Renaissance, published by the Ministry of National Guidance. Five

points were outlined:

- (1) Establish contact with "liberation" movements;
- (2) Spread Islam as a first step toward developed national consciousness;
- (3) Establish cultural centers to spread the Arabic language and culture;
- (4) Invite large numbers of students to study in Egyptian universities; and
- (5) Increase radiobroadcasts in local languages and dialects.

The UAR has frequently backed overt activities by clan-

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destine methods. It has not hesitated to utilize pro-Soviet elements and has cooperated with Communists when their short-term objectives coincided, as in the advocacy of a strong anti-imperialist or anticolonialist line.

Nasir's ambition to speak for the neutralist Afro-Asian nations has been manifested at various times by his personal courtship of such figures as Nehru and Sukarno. He has had some success, although probably much less than he expected, from his sponsorship of Afro-Asian conferences in Cairo. Soviet attempts to dominate these meetings, however, have irritated and embarrassed him.

The UAR's program in Africa is well under way, and its progress is causing growing concern among all elements opposed to the extension of Nasir's influence. In Ghana, where Nasir is reported gaining popularity, a large UAR Embassy staff is waging a well-organized propaganda campaign among the Moslems, who comprise about 10 percent of the population. As elsewhere, the UAR has provided teachers of Arabic, scholarships to Cairo, and books and films; it has entertained trade union leaders, and it is reported planning to open a cultural center in Accra. Apparently Cairo also hopes to gain Accra's consent to help train Ghana's army and police.

The UAR's efforts to control Ghana's recent All-African Peoples' Conference were largely unsuccessful, however, as a result of the moderate line sponsored by Premier Nkrumah. This line predominated in spite of UAR pressure for a radical approach to the solution of African nationalist problems. Nkrumah, whom Nasir has also assiduously courted, undoubtedly resented the behavior of the UAR delegation, but it is not yet apparent what effect this will have on his relations with the UAR.

Prior to the Accra meeting, there was some evidence of UAR-Ghana cooperation in promoting African nationalism.

Firm evidence of the growth of Nasir's influence elsewhere in West Africa is lacking. The American Consulate General in Nigeria, however, was concerned last September over "British complacency" regarding Egyptian influence among Nigeria's northern Moslems.

Throughout East Africa the UAR is using all the propaganda media at its command--particularly the highly effective Cairo radio--as well as a considerable clandestine apparatus. It is urging a unification of "all the Somalis" and has apparently given sizable financial support to Somali leader Hagi Mohammed Hussein and the Greater Somali League in Mogadiscio. Cairo broadcasts, vilifying the colonialist-imperialists, reach a large number of receptive listeners and are supplemented by the propaganda activities of the Islamic Institute and the UAR Consulate, the largest in Mogadiscio.

Christian Ethiopia is a prime target, and its government has shown alarm over the volume and effectiveness of the UAR effort. In July the government acted to curtail Nasir's activities by refusing the UAR Embassy permission to grant more than a six-month renewal of visas to several hundred UAR nationals. Ethiopia has ousted two UAR military attachés for engaging in subversive activities.

Anti-Ethiopian propaganda is pushed vigorously in outlying Moslem areas, particularly in Eritrea and the Somali-inhabited desert areas. Eritrea's population of approximately one

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million is about half Moslem and is favorably disposed toward Nasir--a situation somewhat similar to Lebanon. Again, Cairo's radio, newspapers, films, and the ubiquitous Egyptian schoolteachers are the instruments of subversion.

The Kenya Government evoked a complaint from its coastal Arabs when it denied passports to a number of students who were ready to accept UAR offers of scholarships for study in Cairo. Kenya is also reported concerned over UAR backing of "Greater Somalia," which might mean annexation of Kenya's northern area inhabited by Somali tribes. Zanzibar has a reported 63 students in Cairo, 40 of them on UAR scholarships. Radio Cairo appears to have a great impact in that country, too.

The UAR is encouraging nationalist and separatist movements elsewhere in Africa and is furnishing refuge and aid to various exiled nationalists in Cairo.

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A UAR-Indonesian cultural agreement was signed in February for the exchange of teachers, students, and publications.

The American Embassy in Rangoon reports that UAR propaganda has been effective in impressing the Burmese Moslems. UAR diplomats have been attending meetings of the smallest organizations, reportedly delivering street-corner lectures in Moslem quarters, and distributing propaganda.

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Latin America

The UAR is also trying to promote Arab nationalism among the large and influential minority of Arab descent in Latin America. In May, the UAR's minister of culture and national guidance, Salah Bitar, toured Argentina, Brazil, Chile, and

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Paraguay to bolster this effort. The Presidents of Argentina and Paraguay were decorated by Nasir.

The UAR, in concert with other Arab missions in Argentina, publishes a good-quality Spanish-language monthly entitled Arabia, which stresses a need to improve understanding between Latin America and the countries of Asia and Africa. The magazine has articles on Arab culture, history, and foreign policy and has a generally anti-American line. The delegation of the Arab League in Buenos Aires sponsors a weekly newsletter that includes Moscow-inspired charges against the West.

In Brazil, where there are approximately 300,000 citizens of Arab descent--second in size in Latin America to Argentina's Arab group--pro-Nasir graduates of the American University of Beirut are spearheading an Arab "cultural" campaign to further the cause of Arab nationalism.

In other Latin American states the UAR has made scattered attempts to line up support. An invitation to Paraguay's President Stroessner to visit Cairo has apparently been refused. The UAR mission established in Montevideo last October is expected to have difficulty because of Uruguay's historically friendly attitude toward Israel.

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Because of opposition from anti-UAR elements in Chile, the UAR ambassador was reported unsuccessful in his effort last September to get an amalgamation of some 13 Arab "social clubs," presumably under pro-UAR direction.

A weekly radiobroadcast in Spanish and Arabic to the Arab colony in Chile and neighboring Latin American countries includes news commentary which is frequently violently anti-US.

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